

Build bigger cars in U. S., too

AMC plans to import larger Renault models

By Kathleen Hamilton
Financial Editor

American Motors plans to double its coverage in the U. S. auto market within the next five years by importing larger models from Renault and by building larger Renault models here.

Speaking at AMC's annual meeting in Detroit, AMC Chairman Paul Tippet said AMC plans "to move from a product lineup that covers 25 percent of the U. S. car market to one with over 50 percent coverage."

After the meeting, he said AMC plans to use the Encore, a hatchback version of the Alliance which has bowed as the R-11 in Europe — as the 1984 replacement for the Le Car, which will no longer be imported. AMC has no plans to introduce a car smaller than that new hatchback, he said.

That means that AMC has nowhere to go but up in car size — up, and out of what is the most competitive auto segment, subcompacts. By doubling its product coverage, AMC aims to more than double its sales in five years, Tippet said.

AMC expects the new downsized XJ Jeep series, also due in 1984, to be the start of an expansion into the light-truck market.

Jeep competes in 12 percent of the light truck-van-4x4 market now, and expects to be competing in 41 percent of the market in 1985, Tippet said.

"Pickups are 50 percent of the 4x4 market. We've got to get aggressive," he said.

AMC will be targeting the downsized and highly success-

ful Ford Bronco II and Chevy S-10 Blazer both in price and features initially, and plans to get into the 4x4 minipickup sales competition after that.

The new AMC-developed 2.5-liter four-cylinder engine will trim \$300 from the cost of using engines from other makers in Jeeps and Eagles, he said.

Bernard Hanon, Renault chief executive and an AMC director, said he is hopeful that sales of the Alliance and XJ will propel AMC to profits in the first quarter of 1984.

Tippet cautioned that that should not be taken as a projection. AMC last made a profit in the first quarter of 1980.

AMC is selling the Alliance for more than it costs to make it, Tippet said. Small cars are notoriously unprofitable for U. S. car makers.

Speaking on AMC's plans for Asia, Tippet said, "I think we should be more aggressive there." The name Jeep is valued there, he said. AMC has been negotiating for several years with the Chinese government.

Stockholders reelected the 14 directors nominated by the board, authorized an additional 40 million shares of common stock and created a new class of preferred stock, authorizing 10 million shares.

Tippet said AMC has no plans to issue any of the new stock at this time.

Touche Ross & Co. was returned as independent auditors. A stockholder proposal to change the date of the annual meeting was defeated.

All his jobs were fun

Cook looks back on 42 years at Olds

By Al Fleming
Industry Editor

LANSING.—As part of General Motors' top management, Robert J. Cook became practiced at handling pressure. As happens with any GM vice president, it came looking for him all the time.

But you'd never know it in the case of the unflappable Cook, who retired this month at 61 as general manager of Oldsmobile and vice president of the corporation.

He's always come across as just plain Bob, a good ol' Lansing boy who got a kick out of any job that came his way, did the best he knew how at it, and, gosh, there he was one day, a captain of the automobile industry.

Sitting at a conference table at his office here, the day before his official leave-taking April 1, Cook, as usual, was restless about being interviewed, expressing surprise that anyone would take the time to drive from Detroit to Lansing just to talk to someone about to leave the business.

But Cook isn't just any guy. If there is a "Mr. Oldsmobile," he's it. His 42-year GM career, all at Oldsmobile, began in 1940 as a GM Institute student sponsored by the division. He had been general manager of Oldsmobile since January 7, 1974, making him senior among GM car division general managers.

Although Cook may not have inspired awe like some charismatic GM car-division general managers of the past—the Coles, the Knudsens, the Estes—Oldsmobile became an automotive superpower under his leadership.

Starting with the 1975 calendar year, Olds has been the No. 3 seller of passenger cars in the U. S. for eight straight years. Its penetration of industry went from 6 percent in 1974 to 10.1 percent in 1982, highest in the

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A lifetime of service

"I never had a job—not one—I didn't think was fun," said Oldsmobile General Manager Robert J. Cook upon his retirement. Under his leadership, Olds has been No. 3 car seller in the U. S. for eight consecutive years.

NEW-CAR MARKET SHARES IN U. S.

	FEBRUARY					TWO MONTHS				
	Regis., Feb., 1983	Percent Share of Market	Regis., Feb., 1982	Percent Share of Market	Pct. Pt. Change '83 vs. '82	Regis., 2 months, 1983	Percent Share of Market	Regis., 2 months, 1982	Percent Share of Market	Pct. Pt. Change '83 vs. '82
Chevrolet	78,236	13.76	90,680	16.62	- 2.86	163,059	14.01	172,700	16.37	- 2.36
Ford	83,326	11.13	64,228	11.77	- 0.64	134,125	11.52	118,238	11.21	+ 0.31
Oldsmobile	59,797	10.52	49,831	9.13	+ 1.39	118,900	10.22	98,545	9.34	+ 0.88
Buick	50,203	8.83	46,924	8.60	+ 0.23	102,003	8.76	90,928	8.62	+ 0.14
Pontiac	30,274	5.32	34,274	6.28	- 0.96	62,467	5.37	62,606	5.93	- 0.56
Mercury	24,774	4.36	23,565	4.32	+ 0.04	48,470	4.16	43,264	4.10	+ 0.06
Dodge	18,903	3.33	17,082	3.13	+ 0.20	38,842	3.34	33,929	3.22	+ 0.12
Volvo	18,565	3.26	15,832	2.90	+ 0.36	38,227	3.28	33,964	3.22	+ 0.06
Plymouth	17,190	3.02	17,812	3.24	- 0.22	32,376	2.78	34,630	3.28	- 0.50
Chrysler	15,437	2.71	9,123	1.67	+ 1.04	29,135	2.50	18,037	1.71	+ 0.79
Lincoln	6,580	1.16	5,576	1.02	+ 0.14	13,920	1.20	10,180	0.96	+ 0.24
AMC	4,550	0.80	5,901	1.26	- 0.46	10,405	0.89	14,928	1.42	- 0.53
GENERAL MOTORS	237,077	41.69	237,541	43.53	- 1.84	484,656	41.64	458,743	43.48	- 1.84
FORD MOTOR CO.	94,680	16.65	93,369	17.11	- 0.46	196,515	16.88	171,682	16.27	+ 0.61
CHRYSLER CORP.	51,530	9.06	44,017	8.07	+ 0.99	100,353	8.62	86,596	8.21	+ 0.41
AMC	4,550	0.80	5,901	1.26	- 0.46	10,405	0.89	14,928	1.42	- 0.53
IMPORTS	180,789	31.79	163,804	30.01	+ 1.78	371,827	31.95	322,698	30.59	+ 1.36
MISCELLANEOUS	37	0.01	114	0.02	- 0.01	201	0.02	288	0.03	- 0.01
TOTAL	568,663		545,746			1,163,957		1,054,935		

Automotive News analysis of new-car registration based on R. L. Polk & Co. statistical report.

But February total trails January's

Month's registrations top year-ago

By Jenny L. King
Staff Writer

New-car registrations in the U. S. in February dipped 4.47 percent from the January total but climbed 4.20 percent compared with February, 1982, according to figures compiled by R. L. Polk & Co. It was the fifth consecutive month in which total registrations were above comparable year-ago levels.

This February, 568,663 new domestic and imported cars were registered, up 4.20 percent from 545,746 in 1982. They represented a decline of 4.47 percent from 595,294 in January of the current year.

U. S. domestic registrations numbered 387,874 for the second month of 1983, up 1.55 percent from 381,942 a year earlier but off 4.05 percent from 404,256 in January.

Registrations of imported new

cars marked a record penetration for the month, with 31.79 percent of the total market. A year earlier, imports accounted for 30.01 percent, the former February record. Imports numbered 180,789 in February, up 10.37 percent from 163,804 last year.

Total registrations for the first two months of 1983 were up 10.33 percent to 1,163,957 from 1,054,935 in 1982. Domestic registrations numbered 792,130, up 8.18 percent from 732,237. Imports, at

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371,827 were up 15.22 percent over the year-ago 322,698.

Chrysler Corp. and the combined imports increased their shares of the month's market this February compared with 1982 standings. Chrysler was up 0.99 percentage points, to 9.06 from 8.07, and the imports enjoyed a 1.78-percentage-point gain, climbing to 31.79 percent from 30.01 percent.

General Motors dropped 1.84 percentage points during the month, going to 41.69 percent from 43.53 percent. Ford Motor Co. was down 0.46 percentage points, to 16.65 percent from 17.11 percent. American Motors dipped to 0.80 percent from 1.26 percent, and miscellaneous domestics were off 0.01 percentage points, to 0.01 percent from 0.02 percent.

For the domestics in February, intermediates represented the largest single segment of the market, at 35.83 percent. A distant second were compacts, at 22.52 percent, followed by standards at 19.46 percent, subcompacts at 14.37 percent and luxury models at 7.82 percent.

Imports, with 31.79 percent of the total, accounted for the biggest piece of the overall market during the second month of 1983. The breakdown was as follows: Imports (180,789) with 31.79 percent; intermediates (138,993) with 24.44 percent; compacts (87,327) with 15.36 percent; standards (75,481) with 13.27 percent; subcompacts (55,736) with 9.80 percent, and luxuries (30,337) with 5.34 percent.

In February, 1982, the market-class spectrum was: Imports (163,804) with 30.01 percent; intermediates (106,012) with 19.43 percent; compacts (104,093) with 19.07 percent; subcompacts (92,892) with 17.02 percent; standards (51,065) with 9.36 percent, and luxury models (27,880) with 5.11 percent.

On a year-to-date basis

through Feb. 28, Ford Motor Co., Chrysler Corp. and the imports increased their presence in the U. S. market. Ford was up 0.61 percentage points, to 16.88 percent from 16.27 percent; Chrysler was up 0.41 percentage points, to 8.62 percent from 8.21 percent, and the imports climbed 1.36 percentage points, to 31.95 percent from 30.59 percent.

Among the domestics for the two months, 61.18 percent belonged to GM compared with 62.65 percent a year earlier. Ford earned 24.81 percent, up from 23.44 percent. Chrysler had 12.67 percent, up from 11.83 percent. AMC held 1.31 percent, down from 2.04 percent, and miscellaneous domestics accounted for 0.03 percent, down from 0.04 percent.

The February domestics-only shares, 1983 vs. 1982, were as follows: GM at 61.12 compared with 62.19 percent; Ford at 24.41 percent vs. 24.45 percent; Chrysler at 13.29 percent vs. 11.52 percent; AMC at 1.17 percent vs. 1.81 percent, and miscellaneous domestics at 0.01 percent vs. 0.03 percent.

AMC reports sales climb, but so does net loss

SOUTHFIELD, Mich. — Despite a 30-percent increase in dollar sales for the first quarter, American Motors announced a net loss of \$66.08 million (\$1.21 a share), nearly 30 percent worse than one year ago.

The loss had been expected by AMC; its officials said that launch costs for its new Renaults and forthcoming Jeeps, as well as depressed international sales, would cause big losses in the first half of the year.

AMC expects "significant" improvements during the second half, but said its operations probably will not be profitable until 1985. The last profitable year for AMC was 1979.

AMC said its optimism for the second half of 1983 lies in the success of its Renault Alliance and a "dramatically" improved 4WD market.

The loss was the 12th consecutive quarterly loss for AMC, and the largest since the second quarter of 1982. In the first quarter of 1982, AMC lost \$50.97 million (\$0.93 a share).

Sales for the quarter were \$782.05 million, a 30-percent increase over the \$600.16 million of the first quarter of 1982.

Concern on 'escape clause'

AIADA rips proposal to change Trade Act

WASHINGTON. — Suggested changes in the 1974 Trade Act which would make it easier for industries to obtain government help when they cannot meet "honest" foreign competition were criticized by the American International Automobile Dealers Assn. before a House Ways and Means Subcommittee.

"Import relief from fairly traded imports should not be easy to get," Thomas Nemet, AIADA chairman, told the Subcommittee on Trade. He appeared with Robert McElwaine, AIADA president.

McElwaine said AIADA is particularly concerned that the act's Section 201, the so-called "escape clause" will be transformed from what he called a carefully constructed statute which protects consumers from exploitation, as well as protecting domestic manufacturers from extremely strong foreign competition, into "legislation with a distinctly protectionist bias," as is envisioned by proposals before Congress.

"On the whole, Section 201 has worked well to balance the interests of the parties involved" in making trade policy in this nation's pluralistic society, McElwaine said.

Regarding related issues, the AIADA representatives said:

1. Adjustment assistance, which is being phased out, should remain in some form to

provide funds for wage maintenance of unemployed workers, retraining and government guaranteed loans for retooling and modernization.

2. U. S. industries which benefit from actions protecting them from import incursions into their markets should be obligated to create a well-developed plan for industrial recovery, subject to annual review. These industries should be accountable to consumers who must pay higher prices for products that are protected.

3. The statute should clarify the GATT obligation of the U. S. government to provide a "compensation" in the event a decision is made by the President to impose import restraints.

After an industry receives protection from a specific country's imports, the nation of origin has the right to request compensation in another trade area. Thus, the AIADA said, the U. S. might be required to reduce other tariffs, thereby threatening jobs elsewhere in the economy, or facing higher tariffs abroad, with the same result.

"Why should the U. S. high-technology or aircraft industries be forced to pay a price in the form of high customs barriers abroad for the sake of other U. S. industries in decline for reasons that are more substantial than imports?" McElwaine asked.



Young Olds dealer

Patricia M. Bianco, 27, signs an Oldsmobile sales and service agreement as St. Louis zone manager C. D. Hardy Jr. looks on. Bianco is the zone's youngest dealer. Her dealership, Bianco Oldsmobile, Inc., is in South St. Louis County.

AUTOMOTIVE NEWS ANALYSIS OF NEW-CAR REGISTRATIONS

Based on R. L. Polk & Co. Statistical Report
FEBRUARY '83 VS. FEBRUARY '82

	1983		1982	
	Month	Year	Month	Year
AMC Spirit	631	1,340	1,443	3,030
Concord	1,032	2,504	1,565	3,205
Concord SW	440	1,392	514	1,936
Eagle 4WD	294	630	586	1,165
Eagle 4WD SW	1,365	3,285	1,513	3,163
Eagle SX4 4WD	588	1,254	1,280	2,429
TOTAL AMC	4,550	10,405	6,901	14,928
Chrysler LeBaron FWD	4,484	8,710	4,868	9,846
LeBaron SW FWD	593	1,203	27	45
E Class/NY FWD	3,956	7,200		
Cordoba	1,052	1,920	1,086	2,231
NY Fifth Ave.	5,194	9,761	2,934	5,471
Imperial	158	341	208	444
Total	15,437	29,135	9,123	18,037
Plymouth Horizon FWD	2,548	5,605	6,641	12,608
Turismo FWD	1,823	3,748	328	605
Reliant FWD	8,391	15,027	7,086	14,621
Reliant SW FWD	2,993	5,540	2,599	4,994
Gran Fury	1,435	2,456	1,158	1,802
Total	17,190	32,376	17,812	34,630
Dodge Omni FWD	2,416	5,161	5,525	10,621
Charger FWD	2,048	4,224	925	1,769
Aries FWD	6,034	12,627	5,215	10,771
Aries SW FWD	2,158	4,875	2,049	3,932
Dodge 400 FWD	2,279	4,389	1,501	2,982
Diplomat	1,883	3,078	1,326	2,733
Diplomat SW			16	29
Mirada	385	765	525	1,092
Dodge 600 FWD	1,700	3,723		
Total	18,903	38,842	17,082	33,929
TOTAL CHRYSLER CORP.	51,530	100,353	44,017	86,596
Ford Escort FWD	17,046	34,502	20,075	34,550
Escort SW FWD	6,090	11,972	6,457	11,702
EXP FWD	1,359	3,166	3,413	5,928
Fairmont	7,631	21,090	8,231	16,377
Fairmont SW			577	1,079
Tempo FWD		2		
Granada	729	2,141	5,812	11,008
Granada SW	193	580	2,364	4,714
LTD	7,700	16,658		
LTD SW	3,240	6,259		
LTD '82	234	623	2,885	5,171
LTD Cn. Victoria	7,159	14,069	2,767	5,418
LTD Cn. Victoria SW	2,019	3,875	1,249	2,492
Mustang	8,010	16,499	7,410	13,600
Thunderbird	1,916	2,689	2,988	6,199
Total	63,326	134,125	64,228	118,238
Lincoln Town Car	3,246	6,956	1,747	3,214
Mark VI	1,891	4,009	1,458	2,908
Continental	1,443	2,955	2,371	4,058
Total	6,580	13,920	5,576	10,180
Mercury Lynx FWD	4,380	8,323	6,099	10,114
Lynx SW FWD	1,418	2,716	1,706	3,023
LN7 FWD	450	1,132	1,242	2,202
Capri	1,996	4,071	2,018	3,867
Zephyr	2,741	6,084	2,919	5,553
Zephyr SW			225	425
Cougar	211	623	2,894	5,340
Cougar SW	51	151	1,012	1,886
Marquis	3,431	6,763		
Marquis SW	957	2,027		
Marquis '82	25	68	557	1,003
Marquis Brougham '82	34	106	1,034	2,345
Grand Marquis	7,145	13,193	2,075	3,973
Marquis '82 SW/G Marquis SW	992	1,980	614	1,213
XR7	943	1,233	1,170	2,320
Total	24,774	48,470	23,565	43,264
Lincoln Mercury Div. Total	31,354	62,390	29,141	53,444
TOTAL FORD MOTOR CO.	94,680	196,515	93,369	171,682
Buick Skylark FWD	6,068	13,343	13,594	24,410
Skyhawk FWD	3,687	7,806	530	541
Skyhawk SW FWD	634	1,195		
Century FWD	7,493	16,330	5,038	7,949
Regal	15,239	28,868	13,899	29,488
Regal SW	981	1,993	836	1,719
LeSabre	2,596	4,846	1,867	3,650
LeSabre Limited	5,133	10,085	3,692	7,447
Electra	4,180	8,780	3,789	7,715
Buick SW	1,104	2,207	862	1,618
Riviera FWD	3,088	6,550	2,817	6,083
Total	50,203	102,003	46,924	90,928
Cadillac deVille	8,308	16,272	6,567	14,162
Cimarron FWD	1,295	2,812	1,274	2,482
Fleetwood & Chas.	2,916	6,400	2,677	6,184
Eldorado FWD	4,231	8,793	3,500	7,729
Seville FWD	1,817	3,950	1,814	3,407
Total	18,565	38,227	15,632	33,964
Chevrolet Chevette	12,467	24,643	18,657	36,875
Camaro	10,427	21,920	7,711	12,339
Cavalier FWD	8,256	16,619	7,657	12,159
Cavalier SW FWD	2,788	5,460	2,080	3,350
Citation FWD	7,470	17,943	21,513	39,311
Malibu	3,758	7,412	5,294	12,170
Malibu SW	3,404	7,090	2,155	5,264
Celebrity FWD	8,521	18,947	4,556	6,923
Monte Carlo	6,825	13,352	6,780	14,930
Impala	2,862	5,754	3,611	7,144
Caprice	7,369	15,275	6,600	13,335
Chevrolet SW	3,167	6,482	2,605	5,826
Corvette	924	2,162	1,461	3,074
Total	78,238	163,059	90,680	172,700
Oldsmobile Omega FWD	3,224	6,816	6,930	12,406
Firenza FWD	1,906	4,081	479	482
Firenza SW FWD	638	1,181		
Cutlass Ciera FWD	9,239	19,218	5,688	9,171
Cutlass Sup/Calais	19,562	37,074	17,546	37,091
Cutlass SW	1,432	2,943	1,323	2,774
Delta 88	588	1,137	759	1,459
Delta Royale	12,254	23,978	8,293	16,294
98	6,986	14,401	5,667	12,083
Oldsmobile SW	1,648	3,210	1,154	2,571
Toronado FWD	2,320	4,859	1,986	4,214
Total	59,797	118,900	49,831	98,545
Pontiac 1000	2,467	5,259	5,280	9,205
Firebird	5,955	13,182	4,715	7,494
2000 FWD	3,766	7,570	3,792	6,442
2000 SW FWD	667	1,352	563	949
Phoenix FWD	2,199	4,936	5,843	10,222
Bonneville	3,947	7,921	4,196	8,308
Bonneville SW	930	1,813	968	2,018
6000 FWD	4,747	9,851	2,266	3,926
Grand Prix	5,596	10,583	5,780	11,845
Catalina			86	234
Bonneville '81			344	925
Bonneville Brougham '81			331	796
Pontiac SW			110	242
Total	30,274	62,467	34,274	62,606
TOTAL GM CORP.	237,077	484,656	237,541	458,743
(Checker)	18	155	93	244
Miscellaneous Domestic	37	201	114	288
Domestic Station Wagon Total	40,102	80,781	33,584	67,212
Domestic Grand Total	387,874	792,130	381,942	732,237
Import Total	190,789	371,827	163,804	322,698
Grand Total All Registrations	568,663	1,163,957	545,746	1,054,935

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report. Registrations not available for Oklahoma.

Auto terminal to be constructed in Philadelphia

PHILADELPHIA. — Philadelphia Port Corp. is preparing to build an automobile import and export terminal on city-owned Hog Island, a 150-acre tract on the Delaware River.

S. T. Hudson, Inc., an engineering firm, has been assigned to design the installation and contracts for construction are slated for bids this spring.

The Hog Island site is adjacent to the Philadelphia International Airport and is served by Conrail. Also, a rail spur will be built to accommodate tri-level railcars. Interstate 95 is nearby.

The first stage of development, according to the port corporation, will cover 50 acres with facilities to handle approximately 120,000 vehicles a year and will cost \$10 million.

Hog Island will be operated as an open terminal available to all private operators to service ships. Leases can be arranged on a long-term or short-term basis.

Northwood names its top scholars

WASHINGTON. — In a special NADA-sponsored commencement ceremony, Northwood Institute named its outstanding scholars for 1983.

The two-year winners are: Michigan Campus — Douglas A. Indovina, and Texas Campus — Clay F. Holcomb.

The outstanding four-year scholar for 1983 is Lawrence S. Schreiber.

Used-car auction directory

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To fight fleet subsidies

FDA approves \$50,000 war chest

By John A. Russell
New York Staff Writer

LEXINGTON, Ky.—A \$50,000 anti-fleet-subsidy war chest was approved by the Ford Dealers Alliance (FDA) as the organization prepares to fight the manufacturers on fleet sales.

Ed Mullane, FDA president, made the announcement here at a meeting of the Kentucky Automobile Dealers Assn. and termed the fund an "anti-fleet subsidy educational fund."

In addition, Mullane said, each member of the board has pledged \$100 to the fund.

The purpose of the fund is to put the facts on leasing subsidies "before the public," Mullane said. He said that the organization is preparing a national advertising campaign bringing the issue to the public and claiming that "our retail customer was overcharged \$200 so that Ford, General Motors and Chrysler could subsidize fleet sales."

Mullane and the FDA have alleged that manufacturers subsidize fleets to the tune of \$1 billion which the companies build into the price of the car.

While NADA has been active on this front and has been instrumental in having a bill introduced in Congress banning subsidies, Mullane asked, "How hard will NADA push this bill and do they have the stomach for a real conflict?"

He said that there is a need to put the "facts before the public" in order to create a "climate of opinion" that will aid "litigative and legislative" approaches.

Mullane, who launched his attack on fleets late last year, outlined many of the allegations on subsidies. He said that the FDA would be sending letters to all state and local dealer associations asking them to contribute

to the fund. In addition, he said, "We're writing every dealer in America asking him to contribute."

Mullane cautioned that "this is not a battle for the weak of heart."

He added that success or failure would not be measured in "10-day reports, but in years and decades."

"But for years and decades we've been talking about fleet subsidies," Mullane said, and added, "Let's stop talking and start acting."



Rolls-Royce sales leader

Charles Schmitt & Co., St. Louis, sold more Rolls-Royces in 1982 than any other U. S. dealer. Schmitt, center, was recognized by the factory for this achievement as David Carmichael, left, Zone 2 sales manager, presented him with a plaque. Ray Hummel, dealership vice president, joined in the presentation.

March car sales in Canada equal January-February total

By Jenny L. King
Staff Writer

Sales of new North American-built cars in Canada in March were heady enough to match the combined efforts of January and February, as all the major car makers except Ford of Canada reported impressive gains over March, 1982, sales.

Truck sales were up 5.75 per-

cent. It was the first month since June, 1981, that truck sales had pulled ahead of the preceding-year total.

Passenger-car sales numbered 59,873 this March, up 33.17 percent from 44,960 a year ago and nearly matching the 60,816 sum for January and February of 1983. Year-to-date sales reached 120,689, up 14.09 percent from 105,780 last year.

Truck sales climbed 5.75 percent in March, to 17,686 from 16,724. Truck sales for the first quarter were off 8.12 percent, to 37,023 from 40,946 in 1982.

General Motors' car sales soared 69.98 percent in March, to 30,595 from 18,010 last year. Ford was down 14.65 percent, to 11,143 from 13,055. Chrysler dealers retailed 13,196 units, up 26.30 percent from 10,448. American Motors was up 51.30 percent, to 3,964 from 2,620, and Volvo reported a gain of 17.90 percent, to 975 from 827.

GM's share of the March market was 51.10 percent, up from 40.06 percent a year earlier. Ford plunged to 18.61 percent from 29.03 percent. Chrysler slipped to 22.04 percent from 23.24 percent. American Motors was up to 6.62 percent from 5.83 percent, and Volvo picked up the remaining 1.63 percent this year, down from 1.84 percent in 1982.

March truck sales of 17,686 include captive imports for the major auto makers. GM was up 13.09 percent, to 8,863 from 7,837 last year. Ford climbed 6.72 percent, to 5,959 from 5,584. Chrysler sales of 2,692 new trucks were down 8.59 percent from 2,945. AMC dealers sold 172 new Jeeps during the month, down 51.96 percent from 358.

GM earned 50.11 percent of the truck market in March, up from 46.86 percent. Ford had 33.70 percent, up from 33.39 percent. Chrysler slipped to 15.22 percent from 17.61 percent and AMC dropped to 0.97 percent from 2.14 percent.

Rent a Cougar, buy one, get a check from Budget

CHICAGO. — Budget Rent a Car is offering to refund the rental fee up to \$100 to customers who rent a 1983 Mercury Cougar and then purchase one.

MaryBeth Ther, advertising director of the company, said the promotion will run from April 15 to June 30, though customers have until Aug. 31 to receive the refund from Budget.

Customers must send the company a copy of their rental agreement along with proof of purchase of the Cougar.

The company is calling the program the Budget Test Drive and advertising is slated to appear in Frequent Flyer, INC., the Wall Street Journal and USA Today.

Budget is featuring a daily rate of \$34.95 with unlimited mileage for the Cougar with the offer.

This is part of a program Budget started earlier this year when the company dropped out of the "giveaway blitz" by rental companies and began to rent Lincoln Town Cars for a daily rate of \$39.95.

While the programs are separate, Ther noted that they were directed primarily to the business traveler.

Morris Bolzberg, Budget president, termed the Cougar program a "back to the basics 1983 marketing strategy" of providing cars at low rates.

Ther told AUTOMOTIVE NEWS that the program is entirely from Budget and Lincoln-Mercury is not involved. Asked why those two models were selected, she said the company's franchisees "buy a lot of Lincoln-Mercury products."

The company has budgeted "in the seven figures" for advertising the program, she said.

Used Car Sales

Auction Averages

April	\$5,069
Month ago	\$5,085
Year ago	\$4,710

Model breakdown

Auction Averages

	APRIL	MARCH	FEBRUARY
1983	\$ 8,595	\$10,292	\$12,350
1982	8,142	8,112	7,711
1981	6,140	6,046	5,989
1980	5,342	5,195	5,013
1979	4,498	4,589	4,398
1978	3,511	3,498	3,293
1977	2,826	2,637	2,378
1976	2,012	2,232	1,773
Overall			
Average	\$ 5,069	\$ 5,010	\$ 4,733

Total falls nearly 48 pct.

Diesel sales share cut to less than 3 pct.

Continued from Page 1

sold during the comparable 1982 period. The diesel's share of the total domestic and import new-car market dropped to 2.92 percent during 1983 from 6.18 percent during the 1982 period.

Falling or stabilizing gasoline prices, the higher price tag on diesel-engine options and consumer disenchantment with some diesel engines have all contributed to the waning sales. Only four makes — all of them imports — reported sales gains during the period.

Mercedes sold 26,754 diesel cars during the six-month period, up 8.27 percent from the 24,709 sold during the comparable '82 period. Mercedes' market share jumped 11.68 percentage points — from 10.79 in '82 to 22.47 percent of the market dur-

ing '83. That share is second among individual makes only to Oldsmobile — and by only a point-and-a-half.

Diesel-powered cars accounted for 77.8 percent of all Mercedes U. S. sales during the period, down slightly from 78.5 percent last year.

• Volvo, Isuzu and Audi were the only other makes to record diesel-car sales increases during the six-month period.

GM's sales of 56,094 diesel units during the first six months of the '83 model year represented a 59.21 percent nosedive from the 137,537 sold during the equivalent period in '82.

Likewise, GM's market share slipped from 60.06 percent last year to 47.11 percent during '83

— the first time the corporation's penetration has dipped below 50 percent since GM became a serious diesel manufacturer.

All GM divisions took a beating during the period, with Pontiac and Chevrolet posting the biggest sales declines.

Chevrolet diesel sales of 9,548 were off 76.90 percent from the 41,350 sold last year. All Chevy car lines were down but, most notably, the Chevette diesel (powered by an Isuzu-built 1.8-liter engine) crashed from 14,485 sales last year to 1,319 deliveries this year.

Chevrolet's share of the diesel market dropped 10.04 percentage points — from 18.06 percent in '82 to 8.02 percent this year.

• Oldsmobile sold 28,472 diesel cars during the first six months of the model year, down 43.59 percent from 50,482 sold last year, yet the division's market penetration actually gained. Oldsmobile's share was 23.91 percent of the market, up 1.86 points from 22.05 last year.

Volkswagen sales, crippled by sagging interest in the Rabbit diesel, dropped to 16,331 diesel units during the first six months of the 1983 model year from 40,869 sales during the equivalent '82 period. VW's market share of 13.72 percent was down 4.13 percentage points from 17.85 percent last year.

Only about 20 percent of Rabbit sales during 1983 were diesel models, compared with 48 percent during the '82 period. In its heyday, the diesel model accounted for 60 percent of all Rabbit sales.

Sales of diesel Audis were up 23.43 percent during the '83 model year, boosted by introduction of new turbocharged diesel models. Audi sold 3,899 diesel-powered cars during the first half of the '83 model year, compared with 3,159 during the equivalent '82 period. Audi's market share more than doubled during the period.

Combined, VW and Audi sold 20,230 diesel cars, down 54.05 percent from the 44,028 sold during the '82 period. Market share dropped 2.24 percentage points — from 19.23 percent in 1982 to 16.99 percent in 1983.

Other losers during the period were Datsun and Peugeot. Datsun offered only one diesel-powered car, the Maxima, during the comparison period. The company recently added a diesel-powered Sentra model but its sales are not yet recorded.

Sales of diesel Maximas during the first six months of '83 were 2,571, down 66.75 percent from 7,734 last year, despite a 46-percent increase in total sales during the '83 period.

Peugeot sales of 3,718 units were down 37.44 percent from 5,944 during the 1982 period. Diesels accounted for 52.1 percent of all Peugeot sales during the first half of the 1983 model year, compared with 80.53 percent during the year-ago period.



Peugeot sponsors bikers

Peugeot was a major sponsor of the Inaugural 1983 Tour of America professional bicycle race, held April 8-10 in Virginia and Washington. It provided 38 "official cars" for race-related functions. Here, Peugeot Motors of America President Pierre Lemaire, left, and field sales manager Peter Haskell oversee the fleet. Fifteen teams from seven countries competed for \$100,000 in prizes.

Dealers stand to lose a bundle on Shay deal

Continued from Page 1

costs with dealer deposits on future production.

One of those imitators was California Classic Motor Car Reproduction Corp. (also called Thunderbird Classic Motor Car Reproduction Corp.).

When Housey and others from Model A & T joined California Classic, Shay sued. Among his complaints: The loss of his key personnel had delayed the Model A & T production schedules.

Unlike Model A & T, California Classic folded before producing any cars.

In 1980, Housey had begun forming his own company, Camelot, near Elkhart, Ind., to produce a 1957 Thunderbird replica.

And although he had set eventual production goals for Camelot near the magic number of quickie-replica trade (10,000 a year), Housey had always been conservative about Camelot plans.

He said in 1981 that he had taken deposits on only 30 cars.

To date, Camelot has built 12 vehicles, mostly prototypes.

He says he still has 30 orders with deposits, totaling \$75,000. Camelot has 57 orders altogether.

VW credit begins retail leasing plan

TROY, Mich. — VW Credit, Inc. (VCI), has introduced a retail leasing program for Volkswagen and Porsche-Audi dealers. The program, Prestige Leasing, is available to all 1,300 VW and Porsche-Audi dealers through 95 VCI branch offices across the U. S.

All new 1983 VW, Porsche and Audi vehicles sold or distributed by Volkswagen of America are eligible under the plan, the company said.

Lease terms range from 24 to 48 months and up to 60 months on certain models. For the customer, the leases are "closed end" with no downpayment required and, for the dealer, they are "without recourse." Customers may provide their own insurance or be covered through a dealer-arranged policy.

er, and he said he plans to take no more deposits — only irrevocable letters of credit from dealers.

• Housey moved Camelot to Michigan this year, as negotiations for the Shay assets looked more promising. He said he now employs 16 persons. Two vehicles are in production this month, and five more are scheduled to be completed next month.

By April, 1984, Housey plans to have built 400 cars and expects to be employing about 100 persons. Second-year production is scheduled to be between 1,000 and 2,000. Housey said he has no intention of ever producing 10,000 cars a year.

Meanwhile, he is redesigning the Shay vehicles, changing their structures and adding defrosters to the Model A. He will be producing four models: 1955 and 1957 Thunderbird replicas and 1929 Model A and Model A pickup.

The Model As will be equipped with new four-cylinder engines from the Shay inventory of Pinto components. The Camelot-designed 1957 T-bird replica can be ordered with V-6 or V-8, and Housey hopes to modify the Shay T-bird for a more powerful engine, too.

He said the Model As will retail for about \$10,000 to \$11,000; the T-birds, for \$15,000 to \$16,000. That will include a 5-year/50,000-mile warranty from American Fidelity Insurance Co., he said.

Sales of diesel-powered cars in the U. S.

(First six months of model year)

	1983 Sales	Percent Share of Market	1982 Sales	Percent Share of Market
Cadillac	5,257	4.41	16,932	7.40
Buick	10,985	9.23	21,469	9.38
Pontiac	1,832	1.54	7,304	3.19
Chevrolet	9,548	8.02	41,350	18.06
Oldsmobile	28,472	23.91	50,482	22.05
GM Total	56,094	47.11	137,537	60.06
Volkswagen	16,331	13.72	40,869	17.85
Audi	3,899	3.27	3,159	1.38
VW-Audi Total	20,230	16.99	44,028	19.23
Mercedes-Benz	26,754	22.47	24,709	10.79
Peugeot	3,718	3.12	5,944	2.60
Volvo	2,880	2.42	2,418	1.06
Datsun	2,571	2.16	7,734	3.38
Isuzu	8,827	5.73	6,557	2.86
TOTAL	119,874	100.00	228,927	100.00

Settlement with GM OK'd on engines, transmissions

Continued from Page 1

corrected and the 1981 V-8-6-4 standard Cadillac one-year engines that sometimes — allegedly — stop dead in their tracks.

However, GM points out that arbitration has in the past been available to consumers with these complaints if a 5/50 warranty applies and if the arbitration guidelines are observed.

The GM "policy" — not "warranty" — for '77 through '79 diesel engines is applied to the governor weight retainer ring for the injector pump but not for the whole engine. The current '83 GM diesel engine warranty — not "policy" — is 36 months or 50,000 miles.

GM also notes the five year period can be tested for arbitration for other non-safety problems that do not have a 5/50 warranty.

But the problems covered by the FTC-GM proposed consent go back for nine years and forward for eight years — a total of 17 years because the first models involved are '74 model cars.

Availability of possible relief for owners who sold their cars is unique and actual documentation of repair bills is not absolutely essential although it would certainly facilitate compensation.

• The only matters directly involved in the FTC-GM tentative agreement are: THM 200 transmission, used in 5 to 6 million GM rear-wheel drive cars; premature wear of camshafts and lifters used in some 15 million 305- and 350-CID V-8 engines made by Chevrolet but used widely by all divisions starting in 1974, and fuel injection pumps and fuel injectors in a half-million 350-CID diesel engines made by Oldsmobile but used in several models starting in 1977 until the present.

Under the proposal, GM would have to set up the free arbitration program within 60 days. The meeting must be held at a place which is convenient for the consumer, or it can be done by phone or in writing. No lawyers are needed since there are no rules of evidence although it is highly advisable to have repair bills or evidence of repair from mechanics.

GM must provide fact sheets, telling consumers that they can

get redress of defects that show up after the warranty period. What ever the arbitration decision, GM must abide by it although the consumer may reject it.

GM would also have to send letters to those who have filed complaints with FTC or with GM.

In addition, GM would be making available all product service publications (PSPs) for each of its vehicles through the 1991 models. Moreover, it must advertise their availability in national magazines twice during each model year. GM must place posters explaining this new program in dealer showrooms and use notices in its point-of-sale brochures and use it in GM owners' manuals starting with '84 models.

• This is potentially extremely valuable data but, of course, useful only to those who know about it and how to obtain it. Lawyers and consumer activists will certainly use it as they have undoubtedly used that required under the Ford Motor Co. piston scuffing settlement.

Although a recent story in AUTOMOTIVE NEWS (April 11) raised the possibility that GM's deal was a lot better than the one Ford got in its piston-scuffing settlement, the details of the tentative GM agreement were not yet available at the time of that article. It now appears that perhaps GM fared worse.

While the staff of the FTC in Cleveland is pleased with the settlement, FTC Commissioner Michael Pertschuk believes that design problems which lead to systematic car defects potentially present in all units should result in "direct, automatic refunds."

Damages may be hundreds of dollars each and, said Pertschuk, GM knew and did not tell its car buyers. Further, he added, GM "stonewalled" the FTC staff's discovery attempts and gave no other choice than to accept its offer of arbitration or drag out the trial for years.

Moreover, while the FTC staff thinks the GM fact sheets will help consumers, Pertschuk is not sure that will be the case. The sheets "result from extremely tenacious bargaining with GM and look it," he said.

Milestone car is 4 weeks ahead of 1982

Year's auto output reaches 2 million

By Patricia Hoffman
Staff Writer

Domestic auto production reached another milestone last week when the year's two-millionth automobile was assembled Thursday (April 28), about four weeks earlier than in 1982.

So far this year, the manufacturers have produced 2,041,781 cars, a 29.48 percent gain from last year's 1,576,877.

Breakdown for the year-to-date by company is: General Motors, 58.81 percent; Ford Motor, 23.26 percent; Chrysler Corp., 13.11 percent; American Motors, 2.79 percent; Volkswagen of America, 1.57 percent, and Honda, 0.46 percent.

Last week's production was estimated at 136,072 units, about even with the previous week's 136,457, but up 9.62 percent from 124,133 assembled in the comparable 1982 period.

The GM Willow Run plant, source of Omega and Skylark, was closed last week (April 25) for inventory control. Operations there are slated to resume today (May 2).

Ford's Kansas City plant, idled March 14, remained closed

last week for changeover to the new Tempo and Topaz models. Kansas City, recent source of Fairmont and Zephyr, will begin assembly of the new cars today.

GM's Oklahoma City plant returned last week with production of Celebrity and Century. The plant closed for rearrangement April 18 at which time assembly of the Citation was phased out.

Overtime was scheduled last week at three GM, three Ford and four Chrysler points.

The GM Lordstown and Flint facilities, plus B, C and G lines at the Lansing plant operated six days last week.

Ford's Chicago and St. Louis plants worked two daily nine-hour shifts, while the Lorain facility worked two 10-hour shifts Monday through Friday last week.

Daily overtime continued at Chrysler's Belvidere, Jefferson, Newark and St. Louis plants. St. Louis worked one daily nine-hour shift, while the other three operated two daily nine-hour shifts.

Downtime is scheduled to be-

gin today at GM's Wilmington plant. The plant will be idle one week due to overstocked inventory.

Canadian output slips for week; 24,694 cars built

Last week's Canadian car output fell 2.73 percent from the previous week's total despite production gains for Ford Motor's new Tempo and Topaz models at the company's Oakville car assembly point. Contributing to the dip was the return of normal five-day operations at General Motors' Oshawa No. One and Two car facilities following six days of assembly there the previous week.

The auto makers targeted 24,694 units last week, down from 25,386 the prior week, but output jumped 17.60 percent from last year's 20,999 units.

So far this year, the car manufacturers have finished 325,698 units, up 11.41 percent from 292,334 built last year.

Production of the new Ford Tempo was estimated at 658 units last week, nearly triple previous week's 225, and Mercury Topaz assembly was slated at 135 units, a 42.11 percent gain from 95 built the first week of production. The combined rate of the new cars will eventually reach 60 units an hour on two shifts.

The truck makers estimated last week's output at 11,616 units, down 5.31 percent from the previous week's 12,267, and down 8.19 percent from 12,652 built last year.

The GM St. Therese car facility operated daily and Saturday overtime for the second consecutive week last week (April 25). The plant worked two-hour's of overtime on two-shifts Monday through Thursday, with normal eight-hour operations resuming Friday. St. Therese also worked two eight-hour shifts on Saturday.

GM's Oshawa and Scarborough truck facilities operated six days last week.

Truck production rises to 50,097; overtime helps

Overtime at eight assembly plants boosted last week's domestic truck production 2.04 percent from the previous week's total, and output jumped 8.91 percent from the comparable 1982 period.

Truck output last week was targeted at 50,097 units, up from 49,097 the previous week, and up from 46,000 in the comparable week last year.

There were three General Motors, three Ford Motor and two Chrysler Corp. assembly plants working overtime last week (April 25).

At GM, the St. Louis, Lordstown and Detroit (P-model) facilities operated six days last week.

The Ford Twin Cities plant and its Lorain (van) facility worked two 10-hour shifts Monday through Friday. Ford's Michigan Truck point operated one nine-hour shift five days last week.

Also working daily overtime were Chrysler's Belvidere and Warren facilities. Belvidere operated two nine-hour shifts

U. S. CAR PRODUCTION

	Week Ended April 30, 1983	Week Ended May 1, 1982	Week Ended April 23, 1983	April Est.	Jan. 1 to May 1, 1982	Jan. 1 to April 30, 1983
AMERICAN MOTORS.....	3,320	1,400*	3,484	6,007	19,495*	56,963
AMC Total.....						4,071
Concord.....						3
Eagle.....						4,068
Renault Total.....	3,320		3,484	6,007		52,892
Alliance.....	3,320		3,484	6,007		52,892
CHRYSLER CORP.....	19,700	15,666	18,465	76,801	199,374	267,764
Plymouth Total.....	6,800	6,993	5,980	27,032	83,921	99,043
Horizon.....	1,900	2,632	2,356	9,518	26,479	32,474
Reliant.....	4,700	4,361	3,498	17,009	57,442	65,257
Caravelle ('83).....	200		126	505		1,312
Chrysler Total.....	4,800	2,835	5,001	19,996	36,905	62,907
LeBaron.....	2,300	2,835	2,217	8,958	36,905	29,826
Chrysler E-Class.....	2,500		2,784	10,738		33,081
Dodge Total.....	8,100	5,838	7,484	30,073	78,548	105,814
Omni.....	3,200	2,334	2,886	10,609	24,682	34,292
Aries.....	3,400	2,943	3,092	12,857	43,487	47,075
Dodge 400.....	700	561	716	3,266	10,379	10,720
Dodge 600.....	800		790	3,341		13,727
FORD MOTOR.....	33,477	33,071	32,598	127,182	335,775	474,958
Ford Division.....	22,594	21,769	21,893	85,335	208,668	313,003
Escort.....	7,339	8,025	6,965	24,388	91,549	88,861
Fairmont.....		3,571			33,416	23,728
Mustang.....	3,489	3,801	3,456	12,068	37,922	44,478
LTD/Granada.....	4,468	3,584	3,799	17,493	32,360	60,783
Thunderbird.....	4,871	2,549	5,216	22,063	11,315	63,971
Crown Victoria/Ford.....	2,343		2,377	9,159		30,010
EXP.....	84	239	80	164	2,126	1,172
L-M Division.....	10,883	11,302	10,705	41,847	127,087	161,955
Mercury Total.....	8,815	9,216	9,205	34,944	94,197	127,973
lynx.....	1,827	2,741	2,067	6,470	27,868	22,589
Capri.....	644	755	681	2,346	9,821	7,997
Zephyr.....		1,075			10,539	8,601
Marquis/Cougar.....	1,878	1,721	1,849	7,346	16,639	23,100
Cougar/XR7.....	2,591	716	2,730	11,604	3,623	29,107
Gr. Marquis/Marquis.....	1,857	2,131	1,873	7,155	25,084	36,240
LN7.....	18	77	5	23	623	339
Lincoln Total.....	2,068	2,086	1,500	6,903	32,890	33,982
Continental ('82).....	205	418	150	701	7,108	6,105
Lincoln.....	1,178	1,047	972	4,278	13,889	16,387
Mark VI.....	685	621	378	1,924	11,893	11,490
GENERAL MOTORS.....	76,560	73,896	79,094	306,293	990,095	1,260,838
Buick Division.....	16,052	17,900	18,450	69,332	234,327	280,028
Skylark.....		2,948	3,119	6,186	42,737	30,168
Skyhawk J.....	1,200	3,726	1,171	5,132	26,102	22,712
Century.....	3,097	2,279	2,617	11,828	40,877	51,989
Regal.....	5,210	4,558	5,419	21,262	60,287	82,948
Buick.....	5,610	3,394	5,182	21,177	53,495	79,168
Riviera.....	935	994	942	3,747	10,829	13,043
Cadillac Division.....	6,184	5,759	6,179	25,060	81,126	113,061
Cimarron.....	284		216	1,305	1,401	8,108
Seville.....	740	617	742	2,967	8,344	12,212
Eldorado.....	1,560	1,549	1,566	6,250	21,744	26,285
Cadillac.....	3,600	3,593	3,655	14,538	49,637	66,456
Chevrolet Division.....	25,234	24,978	24,215	95,570	298,623	362,262
Chevette.....	4,120	5,882	4,080	12,570	64,492	66,276
Cavalier.....	6,461	1,365	5,853	24,943	31,079	75,182
Celebrity.....	2,118	2,661	504	7,200	19,469	23,918
Camaro.....	3,755	5,123	4,336	15,845	71,315	60,525
Citation.....	1,550	3,779	1,571	5,698	47,854	35,344
Malibu.....	3,369	3,352	3,901	13,861	30,136	48,628
Monte Carlo.....	1,691	1,757	2,043	7,495	17,462	29,295
Chevrolet.....	1,570	453	1,315	5,512	6,871	16,754
Corvette.....	600	606	612	2,446	9,945	6,340
Oldsmobile Division.....	20,330	13,986	20,713	83,220	254,945	321,814
Omega.....		1,815	2,032	4,038	28,089	21,639
Firenza.....	1,190	1,068	1,241	4,891	24,640	15,298
Cutlass.....	6,300	2,476	5,402	24,247	64,203	95,112
Cutlass/Ciera.....	4,385	2,549	4,829	17,771	38,880	58,629
Oldsmobile.....	7,110	5,522	6,462	29,289	87,975	117,667
Toronado.....	745	556	747	2,984	11,158	13,469
Pontiac Division.....	8,760	11,273	9,537	33,111	121,074	123,673
Acadian.....		672	508	1,044	3,928	5,865
2000.....	2,587	1,314	2,262	9,015	7,752	30,624
1000.....	1,480	942	1,536	4,277	4,722	14,731
Firebird.....	1,775	2,851	1,941	7,395	38,979	29,546
Phoenix.....	850	1,184	859	2,558	10,243	9,979
G. Prlx/B'ville ('83).....	2,068	3,290	2,431	8,822	50,112	32,928
A6000.....		1,020			5,336	
HONDA.....	900		838	3,329		9,320
VOLKSWAGEN.....	2,115		1,378	8,102	30,938	31,938
CHECKER.....		100*			1,200*	
Total Cars, U. S.....	136,072	124,133	136,457	534,518	1,576,877	2,041,781

CANADIAN CAR PRODUCTION

	Week Ended April 30, 1983	Week Ended May 1, 1982	Week Ended April 23, 1983	April Est.	Jan. 1 to May 1, 1982	Jan. 1 to April 30, 1983
AMERICAN MOTORS.....	800	608	820	3,089	8,990	9,619
CHRYSLER CORP.....	5,232	3,503	5,189	20,983	55,398	75,718
FORD MOTOR.....	6,297	8,792	5,777	12,938	96,033	56,179
GENERAL MOTORS.....	12,140	7,871	13,375	51,030	128,256	180,447
VOLVO.....	225	225	225	900	3,657	3,735
Total Cars, Canada.....	24,694	20,999	25,386	88,940	292,334	325,698
N. American Cars.....	160,796	145,132	161,843	623,458	1,869,211	2,367,479
N. American Trucks.....	61,713	58,652	61,364	237,945	807,383	869,944
North American Cars and Trucks.....	222,479	203,784	223,207	861,403	2,676,594	3,237,423

*—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

Monday through Friday while the Warren plant worked one nine-hour shift, five days.

Pickup production at Volkswagen of America's Westmoreland plant continued on normal

schedules last week. Assembly there, originally scheduled to end April 21, will continue into May.

All truck facilities were reported operating last week.

Ford earns \$211.2 million; first profit in 3 quarters

By Kathleen Hamilton
Financial Editor

DEARBORN. — Ford Motor Co. reported first-quarter earnings of \$211.2 million (\$1.75 a share), its first profit in three quarters and the best profit since the second quarter of 1979.

One year ago, Ford reported a first-quarter loss of \$302 million.

Ford's North American operations were profitable for the first time in four years. In the U. S., its after-tax profit was \$111 million, compared with a loss of \$506 million in the first quarter of 1982.

Unit sales in the U. S. were up 35.6 percent to 567,305 cars and trucks.

Outside the U. S., Ford's car and truck sales declined 2.9 per-

cent to 554,095. Non-U. S. operations earned a profit of \$100 million, compared with \$204 million one year earlier.

Ford attributed the decline to less favorable exchange rates in Europe and the four-week strike at Ford of Britain's Halewood plants.

Worldwide sales amounted to \$10.04 billion, up 12.6 percent from \$8.92 billion one year earlier. Worldwide vehicle production (including tractors) climbed 15 percent to 1.14 million units.

Ford attributed its improved overall performance for the quarter to higher industry volume, especially in the U. S.; a record 13.8-percent share of the European car market, and cost-cutting measures.

Cash flow improved, increasing Ford's cash balance at the end of the quarter by \$113 million to \$1.67 billion (but that was still lower than the \$2.01 billion on hand at the end of the comparable 1982 period), and reducing Ford's borrowing by \$80 million.

TRUCK PRODUCTION IN U. S.†

	Week Ended April 30, 1983	Week Ended May 1, 1982	Week Ended April 23, 1983	April Est.	Jan. 1 to May 1, 1982	Jan. 1 to April 30, 1983
CHEVROLET.....	17,357	13,841	16,728	67,202	214,603	241,904
DODGE.....	3,000	2,659	2,656	12,130	43,256	43,152
FORD.....	19,400	19,374	19,395	71,532	224,675	276,577
GM.....	5,860	5,913	5,836	23,289	80,102	83,511
INTERNATIONAL.....	1,025	1,163	1,027	4,101	17,160	15,599
VOLKSWAGEN.....	235		221	902	5,776	1,912
JEEP.....	2,170	2,000*	2,184	6,516	26,430*	21,319
AM GENERAL.....	50*	50*	50*	200*	740*	800*
MISCELLANEOUS.....	1,000*	1,000*	1,000*	4,000*	21,200*	16,000*
Total Trucks, U. S.....	50,097	46,000	49,097	189,872	633,942	701,274

CANADIAN TRUCK PRODUCTION

	Week Ended April 30, 1983	Week Ended May 1, 1982	Week Ended April 23, 1983	April Est.	Jan. 1 to May 1, 1982	Jan. 1 to April 30, 1983
CHRYSLER CORP.....	2,740	2,675	2,730	11,430	32,628	45,030
FORD MOTOR.....	2,924	2,984	2,972	11,853	43,019	42,657
GENERAL MOTORS.....	5,710	6,721	6,371	23,863	93,653	78,521
INTERNATIONAL.....	242	272	194	927	4,141	2,462
Total Trucks, Canada.....	11,616	12,652	12,267	48,073	173,441	168,670
N. American Trucks.....	61,713	58,652	61,364	237,945	807,383	869,944

†—New includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

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58th year—\$40 per year, \$1.00 per copy

AMC buys 31 pct. of Mainland firm

Jeep output set for China

By Kathleen Hamilton
Financial Editor

"We decided we wanted to do something except complain against the Japanese, although we plan to continue to do that, too," laughed American Motors Chairman Paul Tippet as he announced plans for a joint venture that will soon see the Chinese building Jeeps.

What AMC says is the largest industrial joint venture in the Republic of China was signed last week in Beijing's Great Hall of the People. By it, AMC purchased for \$8 million in cash and \$8 million in technological expertise a 31.6-percent interest in Beijing Jeep Corp., producer of four-wheel-drive civilian vehicles.

The new venture also brings AMC into one of the largest potential 4x4 markets, the Far East, which so far has been monopolized by the Japanese makers.

"The fact that there aren't any passenger-car ventures there has occurred to us," Tippet said. (He doesn't count the Volkswagen project, which is assembling kits as training for a tentative 1988 startup of production, if the joint venture is finalized.)

Tippet stressed that AMC has patience concerning the possi-

bility of auto assembly in the People's Republic of China.

• The 4x4 plant will be AMC's biggest operation outside North America.

Better than 100,000 4x4 vehicles are sold in the Far East each year, and the market has been growing 10 percent a year, according to AMC.

It hopes to break the Japanese grip on the area by combining the 60-cent-an-hour labor costs of the Beijing Automotive Works, which is being acquired by the joint venture, with improvements in product and productivity.

"We expect to be fully competitive with the Japanese," Tippet said in a briefing before signing the accord last week.

AMC Vice President of International Operations Tod O. Clare, who was one of AMC's chief negotiators during the four-year-long discussions with the Chinese, will tell the Automotive News World Congress this July about the experience.

For his part, Tippet said the Chinese plant is already operating at a profit. The results will show up in a small way on the AMC balance sheet, "but it's not going to give us \$10 a share the first year," he said.

AMC is committed to reinvesting its profits in the venture until it owns 49 percent of the company. The government is the other investor.

Auto analyst Arthur Davis, of Prescott, Ball & Turben, said the move is a logical one for AMC, which finds its U. S. 4x4 market has matured. But he said the success of the new XJ Jeep line and the continued strength of the Alliance in the home market are much more important to the No. 4 auto maker's health.

After all, AMC sells more Jeeps in the U. S. in three good months than it will sell Beijing Jeeps in a year.

Beijing Automotive Works now produces only 20,000 vehicles a year. AMC hopes to at

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BMW 318i



Jim Plague

German maker refines its hottest model

BMW's new 318i model goes on sale today (May 9) at the company's 400 U. S. dealerships. The car is slightly shorter and wider than the top-selling 320i model it replaces. Subtly refined styling, an improved 1.8-liter engine and a new rear suspension are among the features. Story and another photo on Page 13.

Ad agency named, executives appointed, 'angel' revealed

Bricklin's structure taking shape

By John A. Russell
New York Staff Writer

NEW YORK. — Details on the organization of International Automobile Importers, Inc., were revealed last week as the company prepares to import the Bertone X 1/9 and the Pininfarina Spider to the U. S.

Malcolm Bricklin, the company's chairman, made a series of announcements about the structure and philosophy of the company in an interview last week with AUTOMOTIVE NEWS, including:

1. The appointment of several executives, including Carl (Hap) Hirsch, president of Thermo Guard, Inc., and a long-time business associate of Bricklin's, as vice chairman.

2. Appointing Berenter, Greenhouse & Elgort, of New York, as advertising agency for the \$7 million to \$10 million account.

3. The warranty structure, including repayment methods to dealers.

4. Various product improvements on the cars.

5. And revealing for the first time that Bud Koffman, a long-time associate of Bricklin's, was the major source of financing for the project, though Bricklin would not disclose the amount.

Bricklin explained that he is the majority stockholder of the privately owned company, which is held by Bricklin Industries, his company.

Financial backing for the operation was initially obtained from Koffman, who backed Bricklin when he started Subaru of America.

• Bricklin has already signed one distributor, John Bednarik, a former Subaru distributor in Maryland, who has also been named to the board of directors. Both Bricklin and Bednarik explained the purpose of his appointment to the board would be to provide distributor input. His distributorship will in-

clude Delaware, Maryland, the District of Columbia, Virginia, West Virginia and North and South Carolina.

Territories have been established for eight distributors. The cutoff point will be a line drawn from North Dakota to Texas, Bricklin noted, following through with his previously announced intention of not launching any operations on the West Coast until later this year.

As for the distributors, they will operate under the same system Bricklin established at Subaru of America, which includes letters of credit to IAI, Inc. Bricklin said that he is requiring the distributors to provide \$5.5 million.

The eventual goal will be 10 distributors, with 10 service schools and 10 parts warehouses at the distributor levels, he said.

While dealers have not been

signed, since this will be a responsibility of the distributor, Bricklin did say that several key appointments have been made to build a dealer network.

An associate of Hirsch's, Robert Huggins, was named vice president of dealer development. He will assist Hirsch in helping the dealers and distributors set up their operations.

Hirsch said that the appointments of Huggins and himself emphasize the new company's philosophy.

In many companies, Hirsch said, "people who make the decisions that affect the dealer have never sold a car." Both he and Huggins are grounded in retail, and he noted that the company is "gearing all our effort on that level."

Hirsch said he and Bricklin agreed that it was necessary to

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GM disputes charge of defect in rear axles

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — General Motors last week issued a strong objection to an initial determination by the NHTSA that a safety defect exists in the rear axles of as many as 5.3 million 1978-80 GM mid-sized cars and sporty trucks.

The vehicles involved are Chevrolet Malibu, Monte Carlo and El Camino, Pontiac LeMans and Grand Prix, Oldsmobile Cutlass and Cutlass Supreme, Buick Century and Regal and GMC Caballero.

A recall, which GM insists is not necessary, would cost GM \$125 million.

GM said that projections are that only three in one million of the vehicles would be involved in injury accidents for the rest of their vehicle lives because of axle separation. Those 16 accidents would be minor, GM said, and so far there have been no deaths.

Over the next 10 years — using axle disengagement so far and average driving speed — GM said it would expect inci-

dents to range from a low of 0.06 per million hours of operation to a high of 0.09 per million hours of operation.

In other words, GM told the NHTSA hearing, there is only one one-hundredth of one percent chance of those 11 accidents in which 16 persons suffered minor injuries happening again while those 5.3 million vehicles are on the road.

The hearing concerned the Good Friday and April Fool's Day (April 1) unexpected announcement by NHTSA head Raymond A. Peck of physical separation of axle and wheel assembly that could be "catastrophic..."

And while this is true theoretically — an out of control car hitting a car or going down an embankment — it is also true that with the millions of miles of operation and millions of hours driving so far, there have been only 16 minor injuries.

GM is asking NHTSA to rescind that initial finding of a safety defect. GM lined up a

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breaking news

U. S. new-car stock dips to 41 days

DETROIT. — The domestic auto industry opened May with a lean 41-day supply of new U. S.-built cars, down from 55½ days April 1 and a 66-day stockpile on May 1 last year. The industry had 1,191,285 new cars in inventory, down from 1,235,313 a month earlier and 1,260,633 a year earlier. The lower May 1 supply is due to both a cut in the unit count and a higher sales rate.

GM to delay '84 C-cars

DETROIT.—General Motors' downsized C-cars for 1984 will be delayed beyond the normal introduction time, Chairman Roger B. Smith said last week. Buick Electra, Oldsmobile 98 and Cadillac will appear "after October," Smith told the press prior to speaking to the Adcraft Club of Detroit.

Japanese production and exports decline again

TOKYO.—Japanese vehicle production and exports declined in fiscal 1982 for the second year in a row, according to reports published here. In the fiscal year ended March 31, output dropped to 10,790,090 cars and trucks, down 2.9

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